

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department- M/s. MLR Motors Private Limited - Establishment of 4 wheeler manufacturing facility – Allotment of land and extension of certain benefits/ concessions – Extension of time limit to implement the project by the end of March, 2012 – Orders – Issued.

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INDUSTRIES AND COMMERCE (INF) DEPARTMENT

G.O.Rt.No. 278

Dated:18.05.2011
Read the following:

1. G.O.Ms.No.91, Ind & Com (INF) Deptt., dt. 24.4.2007.
2. From the MD, M/s. MLR Motors Ltd., lr.dt.21.9.08.
3. G.O.Rt.No.787, Ind & Com (INF) Deptt., dt. 22.10.08.
4. From the Director, M/s. MLR Motors Ltd., lr.dt.5.10.09.
5. G.O.Rt.No.713, Ind & Com (INF) Deptt., dt.25.11.09.
6. From the Director, M/s. MLR Motors Ltd., lr.dt.15.4.2010.
7. G.O.Rt.No.339, Ind & Com (INF) Deptt., dt. 27.5.2010.
8. From the Director, M/s. MLR Motors Ltd., Lr.dt.23.3.2011.
9. Govt.Memo No.2875/INF.A2/2006, dt. 29.3.2011.
- 10.From the COI, Lr.No.15/01/10/0117-ID,dt. 26.4.2011.

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O R D E R :

The Director, M/s. MLR Motors Ltd., in his letter, dated: 23.3.2011, has informed Government that due to several adverse circumstances and global recession in the automobile industry, the financial institutions have not shown interest to finance the project. However, the Banks have revised their outlook towards the industry and are enthusiastic to finance the project. The banks have accorded in-principle sanction to the project. The company has already invested over Rs. 70.00 crores on the project before financial closure. The Director of the company has further informed the Government that they have to complete the process on Engineering, development works, styling etc., which requires a lot of time to complete the works in order to implement the project. Further the company has to submit valid reasons for sanction of loans to the company. The Director, M/s. MLR Motors Ltd., has therefore requested the Government to issue an order confirming that all the concessions and incentives hold good and the orders issued in G.O.Ms.No.91, dt. 24.4.2007 remains valid till March, 2012, which would help the company to approach the Banks, to convert the in-principle financial sanctions into final financial sanction as well as facilitating fast release of funds for the project execution.

2. The Commissioner of Industries, Andhra Pradesh, Hyderabad was requested in the reference 9th read above, to inspect the site and to submit a detailed report indicating the progress of the work on the project, seriousness of the Developer on implementation of the project etc., to Government.

3. The Commissioner of Industries, in his report dated: 26.4.2011 has furnished the following information.

1. Approximately 1000 RMT of compound was is built up,
2. Pillar works for constructing R&D Building upto lentil level completed.
3. No other Civil Works started.
4. Site leveling only for some portion of the Site where R&D building is proposed has been done and the other portion of site is covered with boulders and hills which need to be levelled.

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5. the unit has furnished in-principle sanctioned letter from (1) Union Bank of India for Rs. 100.00 crores term loan (2) Bank of India for Rs. 70.00 crores (3) Bank of Maharashtra for Rs. 50.00 crores.
6. The company has informed that they have spent Rs. 70.00 crores towards the project and Magna Steyr, one of the leading Design House in Europe has given 3 year development programme starting from styling.

4. The Commissioner of Industries has further informed that there are no car manufacturing units in the State and the State need such units for developing not only the Ancillary base but also for further growth Automobile Sector in the State. In addition, the promoter is having automobile background and already established 3 units in the State for manufacturing various automobile components. As per the directions of the Hon'ble High Court, construction activity has come to stand still, but the promoter making serious effort to implement the project. The Commissioner of Industries, has requested Government to accord permission for extension of time limit upto the end of March, 2012 to enable M/s. MLR Motors Limited, to implement the project, failing which, the same may be cancelled.

5. The Government after careful consideration of the request of the Director, M/s. MLR Motors Ltd., and keeping in view of the recommendations of the COI, hereby accord permission for extension of time limit upto the end of March, 2012, to enable M/s. MLR Motors Ltd., to implement the project failing which the orders issued by the Government for the establishment of the 4 wheeler manufacturing facility by M/s. MLR Motors will be cancelled.

6. The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation and the Commissioner of Industries are requested to work out a specific action plan to complete the project. He is requested to monitor the progress of the project on a quarterly basis and to submit reports from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Vice Chairman & Managing Director,
A.P. Industrial Infrastructure Corporation Limited, Hyderabad
The Commissioner of Industries, Hyderabad.
The Managing Director, M/s. MLR Motors Private Limited,
Plot No.41/1 A, IDA Balanagar, Hyderabad-37.

Copy to:

The OSD to Minister for Major Industries.
PS to Principal Secretary to Government & CIP., Ind & Com Deptt.
Sf/sc.

//Forwarded::By order//

SECTION OFFICER